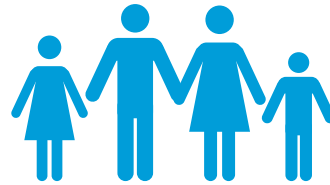
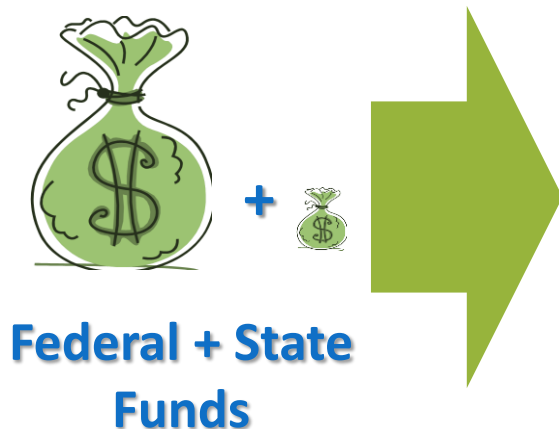


Montana Medicaid Expansion Briefing

HELP Act Implications



**Reduction in the Number
of Uninsured**

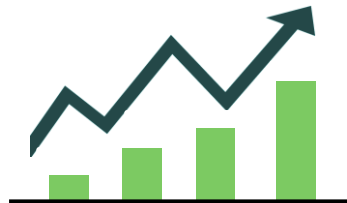


**Increased Provider
Revenue**



Increased State Savings

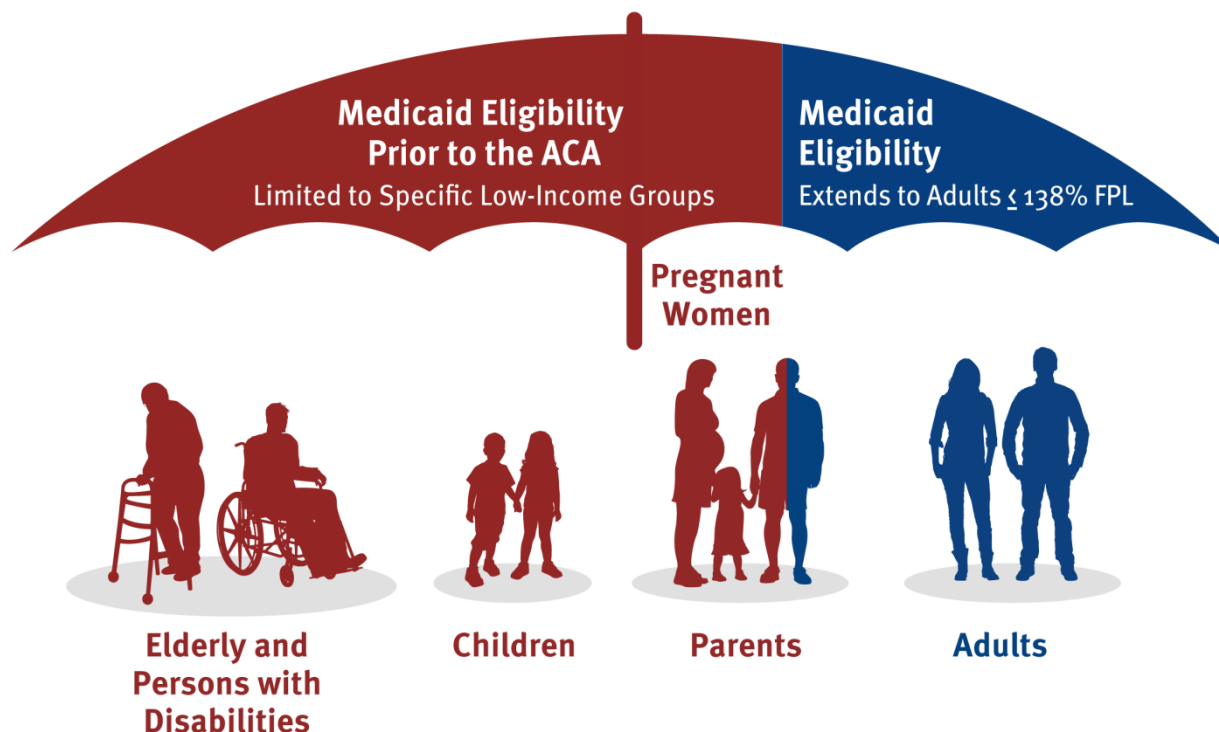
↓ Uncompensated Care Costs
↓ State Funded Health
Programs (e.g. Mental health)



**Increased State
Economic Activity**

↑ Jobs and Revenues

Medicaid Eligibility



Parents and adults without kids living at home between the ages of 19-64 with an income at or below 138% of the Federal Poverty Level (FPL)

\$16,424 for an individual and \$27,724 for a family of three in 2015

Covered by Expansion



Eligible and Services Delivered by Medicaid State Plan (Subject to Copayment)

- American Indians/Alaska Natives;
- Individuals with exceptional medical needs;
- Individuals who live in a geographical area with insufficient health care providers;
- Individuals in need of continuity of care that would not be available or cost-effective; and
- Any other individuals exempt by federal law who are aged 19-64 and with incomes up to 138% FPL.

Eligible and Services Delivered by TPA (Subject to Premiums and Copayment)

- Other newly eligible adults and parents under 138% FPL, aged 19-64.

Workforce Assessment, Employment, and Training

Participation in job assessment and planning and wellness can earn exemption from disenrollment for those who earn 100-138% FPL.

All are eligible to participate in employment services assistance including those not subject to disenrollment.

Over 100% FPL
Under 100% FPL

Federal Medicaid Expansion Protections for American Indians and Alaska Natives

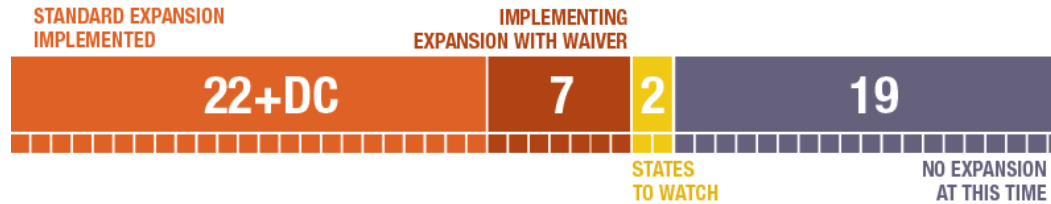
Exempt from Medicaid premiums	✓
Exempt from all Medicaid cost sharing if have ever directly received a service directly from IHS (I/T/U)	✓
Monthly enrollment instead of once per year	✓
Trust lands and other culturally significant types of property are not counted as resources in determining Medicaid eligibility for American Indians and Alaska Natives *	✓

*Applies to non-MAGI Medicaid categories such as Medicaid for Aged, Blind, and Disabled Individuals. Medicaid expansion and other MAGI categories do not have asset tests.

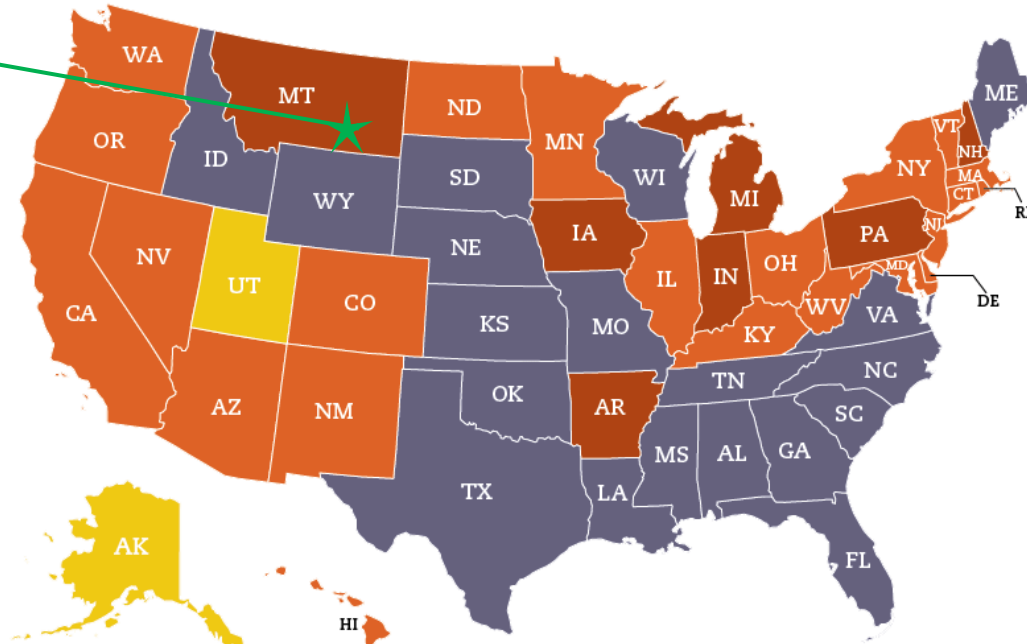
What is a Medicaid Waiver?

- Long history of innovative approaches
- Ability for state policy makers to gain flexibility from federal requirements
- Opportunities for public input
- The Secretary of Health and Human Services has approval authority

Medicaid Expansion & Waivers



First State Using
Third Party
Administrator
Model



Source: Families USA analysis

Note: New Hampshire's expansion is operational and its waiver is approved but not yet operational; Montana has passed expansion legislation and will be submitting a waiver; Pennsylvania's Governor will fully transition from the waiver to a standard expansion by fall 2015

April 2015

FamiliesUSA.org

FAMILIESUSA

Montana Waivers

- Section 1915(b)(4)
 - Implement a new delivery system for Medicaid through a private Third Party Administrator (TPA)
- Section 1115
 - Used for innovation, pilot or demonstration projects

Waiver Requests

Description	Social Security Act Section	States with Similar Waivers Approved
To waive Medicaid “freedom of choice” requirements relative to the TPA to allow use of a TPA provider network	§ 1902(a)(23)	New
To waive the “reasonable promptness” of care requirement and permit disenrollment of people with incomes above 100% of the federal poverty level who fail to pay required premiums	§ 1902(a)(8)	IN
To waive Medicaid “comparability” requirements allowing different treatment of newly eligible adults, such as co-payments and premiums for newly eligible adults enrolled in Medicaid through the TPA	§ 1902(a)(17) § 1902(a)(14)	AR, IA, IN, MI, PA

Some Federal Medicaid Rules Cannot Be Waived

- Federal law includes certain protections for American Indians and people with exceptional medical needs
- States may not waive these protections, and Montana is not asking to waive these protections
- States may not partially expand Medicaid

Eligible for Expansion

State Plan Medicaid:

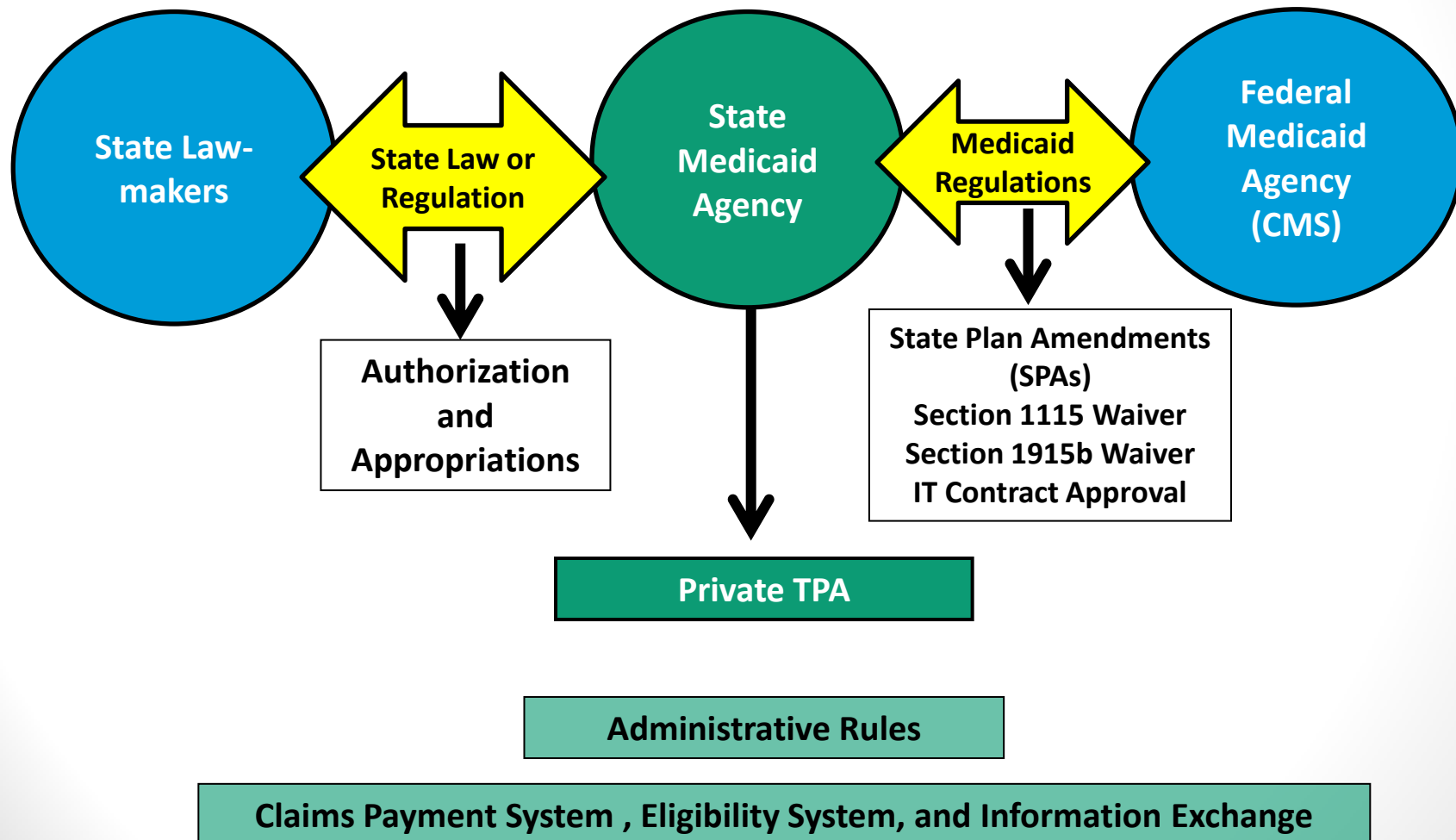
- Native Americans;
- Individuals determined to have exceptional health care needs as defined by federal law; and
- Individuals who are terminally ill and receiving hospice care.

May be in State Plan Medicaid:

- Individuals who live in a geographical area with insufficient health care providers; and
- Individuals in need of continuity of care that would not be available or cost-effective.

Expansion: Public and Private Partners

In order to implement Medicaid Expansion, Montana needs:



Innovation Through HELP Program

- Administration of the program with a private contractor known as a TPA. Healthy Montana Kids has been operated successfully by a third party administrator for more than 10 years.
- Providing a pathway out of poverty unique to Montana through workforce assessment, employment assistance, and training.

Enrollment Projections



TAKE UP = Enrollment Number

The number who enroll in coverage for which they are eligible is not the same as the total number eligible.

(In Montana, the percentage of eligible employees that chose to enroll in employer-sponsored coverage—the take-up rate was 76.1 percent in 2011.)

PHASE IN = Enrollment Over Time

Current phase in projections:

- 25,900 in 2016
- 45,000 by 2020



Features of the TPA

- Leverage an existing commercial insurer with established, statewide provider networks;
- Turnkey administrative infrastructure;
- Expertise to administer efficient and cost-effective coverage for new Medicaid adults;
- Approach allows rapid implementation and adequate provider network capacity for the new coverage; and
- TPA approach supports continuity and integration of Montana's Medicaid Program and the commercial insurance marketplace.

Continuity and Integration

- Continuity and integration for Montanans moving up the income ladder.
- Nearly one-third of low-income families experience frequent income fluctuations that cause “churning” or changes in insurance affordability program eligibility that shift these families from the Medicaid Program to eligibility for subsidies to purchase private coverage (and vice versa).



Reduce Churn



- Churning leads to coverage gaps and discontinuities in the insurance plans and provider networks available to consumers. These gaps are detrimental to improving efficiency and quality of health care for low and modest income Montanans.
- By using a TPA anchored in the commercial insurance market, Montana will provide Medicaid coverage through a provider network that is more likely to be available to lower-income residents even as they gain economic independence and transition to private market coverage.

Premiums

- HELP Program waiver participants pay an annual premium, billed monthly, equal to 2% of the participant's income.
- Premiums will be collected by the TPA.

Copayments

- Copayments may not exceed the maximum allowable amount under federal law.
- Total premium and copayments cannot exceed 5% of the participant's income.
- Montana's existing Medicaid and Healthy MT Kids Programs already have copayments.

Incentivize Healthy Behaviors

- No copayments for some services and certain individuals
- Wellness Programs
- Health Risk Assessment
- Link with existing Public Health Programs

HELP Benefit Plan

- Includes
 - 10 Essential Health Benefits required in private plans
 - Benefits outlined in Benchmark Plan
 - Additional Program Benefits
 - Dental Preventative Services
 - Limited Dental Treatments
 - Eye Glasses
 - Audiology
 - Hearing Aids
 - Eyeglasses
 - Transportation



Where we've been...

- Legislation approved and signed by Governor Bullock
- Release RFP for TPA
 - ✓ Posted July 1
 - ✓ RFP Bidders Conference held on July 14
 - ✓ Bidders submitted formal questions on July 20
 - ✓ Department posted formal responses July 31
- Post waivers for 60 day public comment period to Centers of Medicare and Medicaid Services (CMS)
 - ✓ Posted July 7
- Release RFP for IT services (cloud based database)
 - ✓ Posted August 7

Where we are going...

- TPA RFP Proposals due August 18
- Waiver public meetings
 - ✓ Billings: August 18 from 3:30 – 5:30 at Billings Public Library
 - ✓ Helena: August 20 from 1:00 – 3:00 at DPHHS Auditorium
- DPHHS present waivers to Child, Family Health and Human Services Interim Committee
 - ✓ September 14
- Submit waivers to Centers of Medicare and Medicaid (CMS)
 - ✓ September 15

Where we are going (cont'd)...

- TPA vendor selection
- IT vendor selection and system development
- HELP Benefit Plan comment period
- Montana has requested CMS approve pre-enrollment in conjunction with open enrollment on
 - ✓ November 1
- Montana has requested that HELP Program benefits begin (pending timely CMS approval)
 - ✓ January 1, 2016

Information Online

All information regarding the waivers can be found at:

<http://dphhs.mt.gov/medicaidexpansion>

- You'll also find
 - Sign up for the Medicaid expansion interested parties email list
 - Frequently asked questions
 - TPA Request for Proposal
 - Public comment form

Contact Information

Online:

<http://dphhs.mt.gov/medicaidexpansion>

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Questions?